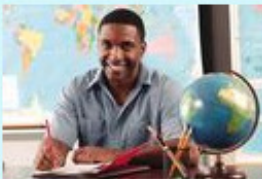


READY...SET...RETIRE



Montana Teachers' Retirement System

PO Box 200139

1500 East Sixth Avenue

Helena, MT 59620-0139

406-444-3134

1-866-600-4045

Website: www.trs.mt.gov

David Senn, Executive Director
Tammy Rau, Deputy Executive Director
Janet Cooper, Benefits Officer
Johnelle Sedlock, Benefits Officer

TYPE OF PLAN

The TRS is a **'Defined Benefit Plan'**.



Benefits to be paid are based on your years of service and average final compensation, **NOT** on your account balance.

The State of Montana assumes the burden and any risks of investment decisions.

A **'Defined Contribution Plan'** pays benefits based on your account balance. Plan participants assume the burden of any risk of investment decisions.

Notes

The Montana Teachers' Retirement System (TRS) is a 'Defined Benefit Plan' qualified under Section 401(a) of the Internal Revenue Code (IRC).

As its name implies, your retirement benefit is 'defined' by a specific formula in Montana state law. The calculation of your monthly benefit utilizes two factors, your years of service and your average final compensation, **NOT** on your account balance. Under this plan, the State of Montana assumes the burden of making investment decisions and the risks associated with investment decisions, not the member. In addition, you have survivor and disability protection while you are an active member.

For additional information, refer to the [Member's Retirement Plan Handbook](#), Page 7.

WHO MUST BE A MEMBER

Membership is mandatory for:

Teachers
Principals
Vice Principals
District Superintendents
County Superintendents
Coaches
Teacher's Aides
School Nurses
Guidance Counselors
Physical Education Directors
Drivers Education Instructors



Librarians
Paraprofessionals
Speech Therapists
School Psychologists
Study Hall Monitors
Dean of Students
Curriculum Specialists

Notes

The TRS, established in 1937, covers educational personnel in Montana public schools. Membership is mandatory for persons employed for at least 210 hours during the school year as: teachers, principals, vice-principals, district superintendents, county superintendents of schools, librarians, coaches, paraprofessionals providing instructional support, teacher's aides, speech therapists, school nurses, school psychologists, guidance counselors, study hall monitors, dean of students, curriculum specialists, and others employed in a teaching or educational services capacity or a professionally qualified person as defined in §20-7-901, MCA of any public school, state agency, community college, or special education cooperative in the State of Montana.

For additional information, refer to the [Member's Retirement Plan Handbook](#), Page 31.

24/7 INTERNET ACCESS TO THE TRS

Information regarding the TRS may be obtained by logging on to the TRS website.



For your convenience, several tutorials are available on the TRS website to assist you with retirement planning, throughout your career.

Notes

The TRS website contains information and forms relative to employers, members and retirees, with general information available to attorneys and other interested parties. The TRS also provides a calendar with TRS Board meeting dates and a schedule of retirement education seminars and workshops. Please take opportunity to visit the TRS website to view the information available.

For additional information, refer to the Member's Retirement Plan Handbook, Page 21.

CREATE AN ACCOUNT

You, as the member, must create an account to access your personal information on the TRS website.



The screenshot shows the Montana Teachers' Retirement System (TRS) website. At the top, there is a navigation bar with links for Employees, Members, Retirees, Calendar, Publications, TRS Board, TRS Staff, Help, and Home. Below this is the "Montana Teachers' Retirement System (TRS) Login" section. A note states: "NOTE! Your old user ID and password will not work on this new and improved TRS On-line Benefit Estimator. On January 2, 2007 we changed our estimation software to provide more features and greater accuracy. The new estimator uses the most current data to project estimates for benefits, taxes, and out-of-pocket costs associated with termination pay. With the new system you pick your user ID and password. It is not reliant on e-mail for confirmations. Unfortunately, no login information was kept from the old system, so **you have to recreate a login account**. Click on 'Create an Account' to get started!" Below the note is a login form with fields for "User ID" and "Password", a "Login" button, and links for "Forgot Your User ID?", "Forgot Your Password?", and "Create an Account". The "Create an Account" link is circled in blue. At the bottom of the page, there is a footer with links for Privacy & Security, Accessibility, Contact TRS, and Search, along with the mt.gov logo.

Notes

For additional information, refer to the Member's Retirement Plan Handbook, Pages 21 and 22.

TRS ACCOUNT INFORMATION MENU

Once your personal account is created you will have access to the Account Information Menu.



Notes

Through the 'Account Information Menu', you may review all information relative to your personal account on file with the TRS at any time, and begin retirement planning prior to the anticipated retirement date, in the privacy of your home or office. Annually, the TRS provides you with a statement of account. Through the use of your on-line account, you no longer need to wait until the end of the fiscal year to review your account.

The TRS encourages you to take ownership of your retirement account.

MEMBER CONTACT INFORMATION

As the member, you may update your personal information on file with the TRS at any time, on-line.

Jane Smith

Date of Birth	<input type="text" value="03/05/1952"/>		
Gender	<input type="text" value="Female"/>		
Address	<input type="text" value="123 Anywhere Street"/>		
	<input type="text"/>		
City/State/Zip+4	<input type="text" value="Helena"/>	<input type="text" value="MT"/>	<input type="text" value="59601-0001"/>
Email Address	<input type="text" value="jsmith@mt.com"/>		
Home Phone	<input type="text" value="406"/>	<input type="text" value="442-1234"/>	
Cell Phone	<input type="text" value="406"/>	<input type="text" value="123-4567"/>	
Work Phone & Ext.	<input type="text" value="406"/>	<input type="text" value="444-1234"/>	<input type="text"/>
Marital Status	<input type="text" value="Married"/> ▼		
Marital Date	<input type="text"/>		

[Help?](#)

Notes

The TRS uses your personal information when mailing correspondence or other communications. You may update your personal information on-line or print, complete and mail the appropriate form to the TRS office.

For additional information, refer to the Member's Retirement Plan Handbook, Page 24.

BENEFICIARY DESIGNATION

Beneficiary information is critical in the event of your death.



Smith, Jane						
Today's Date/Time: 10/06/2010 11:00 AM						
Type	Relation-ship	Name	Gender	Date of Birth	Status	Phone
Primary	Spouse	Smith, John	Male	07/26/1949	Active	
Contingent	Son	Smith, Toby	Male	10/14/1975	Active	

To update your beneficiary designation, you must complete and submit a 'Beneficiary Designation For Active Member's' form to the TRS. This form is available on the TRS website.

Notes

The recipient of any survivor benefit will be the beneficiary of record on file with the TRS. You may designate two or more persons to share equally as joint primary or joint contingent beneficiaries. Upon your death as an active, or an inactive vested member, each primary beneficiary designated will be entitled to his or her portion of any survivor benefits payable.

Beneficiary designation information cannot be updated on-line. For additional information, refer to the Member's Retirement Plan Handbook, Page 33.

ACCOUNT BALANCE INFORMATION

The current employee and employer contribution rates are 7.15% and 7.47%, respectively.

The TRS will deposit the employer contribution in the pension trust fund. The pension trust fund, together with investment earnings, provides funding for your retirement benefit.

The current interest rate is .25%.

Smith, Jane Today's Date 10/06/2010 11:00 AM				
Total Contributions	Total Interest	Total Balance	Current Service Years	Date Last Contribution
93,307.68	41,748.38	135,056.06	30.00	09/30/2010

Notes

As the member, you may view your account balance information on the TRS website. For additional information, refer to the Member's Retirement Plan Handbook, Page 34.

SERVICE PURCHASE TYPES

Previously Withdrawn Montana Membership Service
 Transfer Service From PERS
 Military Service (USERRA)
 Service While On Leave
 Out-of-state Teaching Service
 Private School Teaching
 Workers' Compensation
 Montana Cooperative Extension Service



Smith, Jane
 Today's Date/Time: 10/06/2010 11:00 AM

Buy Back Type	Buy Back Date	Service Years	Original Amount	Interest	Paid	Balance
Out of State	05/01/2010	5.00	25,750.50	5,250.25	0.00	31,000.75

Notes

Members joining the TRS on or after July 1, 1973 may not qualify more than five years of creditable service in any combination of military service, service while on leave, out-of-state teaching, private school teaching, workers compensation time, or employment with the MT Cooperative Extension Service.

If the TRS has determined you are eligible to purchase service, the status of that purchase is available through the 'Account Information Menu'.

If it is your intention to utilize the additional service for retirement purposes, payment must be finalized prior to the TRS processing an Application for Retirement Allowance. You are not eligible to purchase service after retirement. For additional information, refer to the Member's Retirement Plan Handbook, Pages 39 through 45.

SERVICE PURCHASE OPTIONS

Service Purchase - Irrevocable Election

Additional contributions deducted from your compensation by your employer for the purpose of purchasing eligible service credits, may be tax-deferred.



Rollover



Section 401(a) or 401(k)

A 403(b) tax-sheltered annuity or custodial account

A governmental 457(b) deferred compensation plan

A traditional IRA

Notes

You may purchase service through payroll deduction, on a tax-deferred basis, or through a rollover from another qualified plan. Please contact the TRS to request the appropriate paperwork.

For additional information, refer to the [Member's Retirement Plan Handbook](#), Pages 39 and 40.

ON-LINE RETIREMENT BENEFIT ESTIMATOR

Retirement Benefit Estimate

The benefit estimate calculator is designed for the average Teachers' Retirement System (TRS) member, employed on a full-time basis, being reported at a 1.0 FTE. If your employment is part-time, hourly, or the benefit estimate does not seem to meet your needs, please click here for a [Request for an Estimate of Benefits](#) form to submit information to the TRS for an estimate of retirement benefits available.

This is an estimate and is not to be construed as a firm commitment of an amount to be paid. When projections are made, many factors may affect the final retirement benefit, including future changes in law and/or administrative rules.

Review or change the information below and press the Calculate Benefit Estimate button at the bottom of the screen. Please print estimates you want to save for your records.

Name	Date of Birth	Total Contributions	Total Interest	Total Balance	Current Service Years
Jane Smith	01/14/1945	\$85,365.75	\$76,031.85	\$16,397.66	29.22

Retirement Date (mm/yyyy): 7 / 2011

Future Salary Increase Percent: 0.00

Contract Salary for Fiscal Year 2011: 0.00

Termination Pay Amount: 5000

Last Date of Employment: 06/30/2011

Use This Beneficiary	Beneficiary Name	Date of Birth	Relationship
<input checked="" type="radio"/>	John Smith	02/01/1948	Spouse

[Calculate Benefit Estimate](#) [Home](#) [Help](#)

One method for planning retirement is to use the on-line benefit estimator via the TRS website.

The benefit estimator will enable you to begin retirement planning prior to the anticipated retirement date, in the privacy of a home or office.

Notes

The 'On-Line Retirement Benefit Estimator' is designed for the average TRS member employed on a full-time basis, being reported at a 1.0 FTE.

If you are employed on an hourly or part-time basis, you must access the TRS website to print the 'Request for An Estimate of Benefits' form. Print, complete, and mail the properly completed form to the TRS. The TRS will mail an estimate of benefits to your home mailing address. Or, you may call or write the TRS to request an 'Estimate of Benefits'. The TRS will request specific information in order to provide the most accurate estimate possible.

For additional information, refer to the [Member's Retirement Plan Handbook](#), Page 49.

PRE-RETIREMENT PLANNING

Retirement planning is a personal decision and requires an understanding of the TRS.

The TRS encourages you to take ownership of your retirement account, allowing adequate time to become informed regarding all the choices to be made when you formally apply for your monthly retirement benefit.

Three methods available for pre-retirement planning:

Access an Estimate of Benefits on-line, via the TRS website.

Print the 'Request For An Estimate of Benefits' form provided on the TRS website. Mail this form to the TRS.

Contact the TRS to request an Estimate of Benefits.

Notes

Each of these methods for retirement planning will provide valuable information relative to the decisions a member will need to make. At the time of the decision to terminate employment and apply for a monthly retirement benefit, a member must contact the TRS office to request a 'Retirement Application Packet'.

If you would like to meet with a TRS Benefit Officer for assistance with pre-retirement planning, you must call or write for an appointment and provide the information listed above prior to your visit.

For additional information, refer to the Member's Retirement Plan Handbook, Page 49.

ELIGIBILITY FOR A RETIREMENT BENEFIT

Termination

You must terminate **all** TRS related employment. This includes multiple positions with the same employer and/or multiple employers.



All sick and annual leave balances must be paid.

Effective Retirement Date

The first of the month following your date of termination.



Notes

To be eligible for a retirement benefit, you must submit a letter of resignation to your employer. If you have multiple employers, a letter of resignation must be submitted to each employer.

For additional information, refer to the Member's Retirement Plan Handbook, Pages 47 and 48.

CALCULATION OF A RETIREMENT BENEFIT

Retirement Benefit Formula

$$\begin{array}{c} \text{Years Of Creditable Service} \\ \times \\ \text{Average Final Compensation} \\ \times \\ \text{a factor of 1.6667\%} \end{array}$$

The result of this calculation is an annual benefit amount with benefits paid over 12 equal payments.

January	February	March
April	May	June
July	August	September
October	November	December

Notes

For additional information, refer to the Member's Retirement Plan Handbook, Page 48.

CALCULATION OF A RETIREMENT BENEFIT, Cont.

AVERAGE FINAL COMPENSATION

Fiscal Year 2008-09	\$ 52,000
Fiscal Year 2009-10	\$ 54,000
Fiscal Year 2010-11	<u>\$ 56,000</u>
Total Gross Wages	\$162,000
 Average Final Compensation	 \$ 54,000

Notes

Average final compensation (AFC) is determined by averaging the three highest consecutive full-time years of earnings, remitted to the TRS on your behalf.

The AFC for a member employed on an hourly or part-time basis with less than three consecutive years of full-time service during the five years preceding their retirement is the compensation that the member would have earned in the final three years had the member's part-time service been full-time service. To determine the compensation that the member would have earned, the part-time compensation reported must be divided by the part-time service credited to the member's account each year.

Taking leave without pay during the period used in calculating AFC may result in a decrease in a monthly retirement benefit.

For additional information, refer to the Member's Retirement Plan Handbook, Pages 36.

EARNED COMPENSATION

Compensation received for services performed.

Premiums NOT reportable

Health Insurance
Life Insurance
Dental Insurance

Medical Insurance
Vision Insurance

Duties NOT reportable

Bus Driving
Ticket Taking
Cafeteria Services

Custodian
Hall Monitoring
Playground Aide

Other

Fringe Benefits
Lump Sum Payments Contingent Upon Your Terminating Employment

Housing

Notes

Earned compensation represents wages paid for educational services provided.

Elective deferrals made under a bona fide cafeteria plan under IRC Section 125 are considered earned compensation but only to the extent, the amounts would be includible in gross income under IRC Section 125(a).

For additional information, refer to the Member's Retirement Plan Handbook, Pages 34 and 35.

LIMITATION ON COMPENSATION INCREASES

The earned compensation for each year used in calculating AFC may not exceed the preceding year, by more than 10%.

It is the intent of the 10% limitation to provide an equitable benefit to all members.

Compensation in excess of the 10% limit may be included as if the excess were termination pay.

Notes

For additional information, refer to the Member's Retirement Plan Handbook, Page 36.

TYPES OF RETIREMENT BENEFITS

Regular Retirement (Full Benefit) Eligibility

<u>Age</u>	<u>Years of Service</u>
60	5
Any Age	25
Any Age	Part-time service in 25 fiscal Years

Early Retirement (Reduced Benefit) Eligibility

<u>Age</u>	<u>Years of Service</u>
50	5

Notes

For additional information, refer to the Member's Retirement Plan Handbook, Page 47.

TYPES OF RETIREMENT BENEFITS, Cont.

Disability Retirement Eligibility

Permanently disabled and cannot continue to perform your primary duties in your current position.



Minimum disability benefit: the greater of 1/4 of your AFC; or determined by utilizing the Retirement Benefit Formula.

Notes

If you become disabled and cannot continue in your TRS covered position, you may be eligible for disability benefits provided:

- You have five or more years of creditable service in the TRS;
- You become disabled while an active contributing member of the TRS;
- You are declared physically or mentally incapacitated for the further performance of your duties, and your disability is likely to be permanent.

For additional information, refer to the Member's Retirement Plan Handbook, Pages 59 through 61.

TYPES OF RETIREMENT BENEFITS, Cont.

Survivor Benefit

Lump-Sum Benefit

Payable to the designated beneficiary, as a cash payment of your contributions plus accrued interest. This payment is a taxable event.



Monthly Survivor Benefit

The designated beneficiary will be eligible to receive a monthly survivor benefit if, at the time of your death, you had at least five years of service.

Notes

For additional information, refer to the Member's Retirement Plan Handbook, Page 62.

TYPES OF RETIREMENT BENEFITS, Cont.

Death Benefit

Your designated beneficiary will receive a \$500 death benefit.

Minor Child Benefit

Each eligible child under the age of 18 would receive \$200.00 per month through the month the child attains age 18.



Notes

For additional information, refer to the Member's Retirement Plan Handbook, Page 62.

TYPES OF RETIREMENT BENEFITS, Cont.

Withdrawal of the Account Balance

Lump Sum

Withdrawal of the account balance, representing personal contributions, plus interest.



Direct Rollover

The taxable amount to another eligible retirement plan or Roth IRA.



Notes

If you are no longer employed in a position eligible to participate in the TRS you may request a withdrawal of your account balance, which represents personal contributions, plus interest. A partial withdrawal is not allowed.

Termination of a contract does not automatically qualify you for a withdrawal. If you leave one school district for employment in another district or with the University System, you are **not** eligible for a withdrawal.

The 'Application for Withdrawal of Member's Deposit of Contributions and Interest' form **must** be requested from the TRS.

For additional information, refer to the Member's Retirement Plan Handbook, Paged 46 and 47.

RETIREMENT INCOME ALLOWANCES

Normal Form: Life Only Annuity

Option A: Joint and Full to Beneficiary

Option B: Joint and One-Half to Beneficiary

Option C: Joint and Two-Thirds to Beneficiary

Pop-Up Provision (Option A, B, or C)

Period Certain & Life (10 Years or 20 Years)

Notes

It is important that you do a careful study of the benefit allowances prior to retirement regarding future financial commitments. The staff at the TRS is available to assist you with retirement planning, but does not recommend a choice.

As the retiree, the allowance you elect will be payable during your lifetime. The amount of your monthly benefit will depend upon the factors applied to the retirement benefit formula and the allowance you elect. If you elect Option A, B, or C the monthly benefit amount will depend upon the ages of the member and beneficiary at the time of retirement, applying an actuarial reduction to fund the monthly retirement benefit throughout two lifetimes. By electing a Period Certain & Life allowance, an actuarial factor will be applied to the Normal Form allowance.

For additional information, refer to the Member's Retirement Plan Handbook, Pages 53 and 54.

TERMINATION PAY

Termination pay includes:

Vacation pay

Sick leave

Severance pay

A retirement incentive or other payments contingent on the employee terminating employment and retiring.



Notes

Termination pay does not include amounts that are not wages and amounts that are payable to you from a plan for deferral of compensation under Section 457(f) of the IRC. If at the time of termination and retirement, you receive any termination pay, you must select one of three options.

For your convenience, a 'Termination Pay' tutorial is available on the TRS website. The information provided in this tutorial is for educational purposes only. It is intended to provide basic information about the calculation of employee and employer contributions due on termination pay. The tutorial does not provide accurate, detailed calculations of any specific member's account or retirement benefit.

For additional information, refer to the [Member's Retirement Plan Handbook](#), Page 55.

TERMINATION PAY OPTIONS

If at the time of termination and retirement you receive termination pay, you must elect one of the following three options:

OPTION 1 - Use the total termination pay in the calculation of your AFC. You and your employer shall pay the actuarially required contributions to the TRS as are determined by the TRS Board to fund your monthly retirement benefit increase.

OPTION 2 - Divide the termination pay by your total number of years of creditable service to determine a yearly amount.

OPTION 3 - Exclude the termination pay from the calculation of your AFC.

Notes

There are three options available to a member relative to termination pay. The option selected will determine how that payment is processed.

Electing Option 1 or Option 2 results in you and your employer paying the actuarially required contributions as are determined by the TRS Board, to adequately compensate the system for a retirement benefit.

For additional information, refer to the Member's Retirement Plan Handbook, Page 56.

TERMINATION PAY – IRREVOCABLE ELECTION

Termination pay is restricted to payments made at the time of termination **AND** retirement.

You may elect to have employee contributions deducted from termination pay as a tax-deferred contribution.

This election form must be signed by you and your employer at least **90 calendar days** prior to your date of termination.

Signing the election form is **NOT** a commitment to retire on a specific date.

TRS recommends that prior to signing an election form, you request an estimate of benefits or utilize the 'On-Line Benefit Estimator on the TRS website.

Notes

If you and/or your employer fail to properly execute the irrevocable election form 90 calendar days prior to your date of termination, you may still elect to include termination pay under either Option 1 or 2 in the calculation of AFC. You must remit the employee contributions on termination pay with taxed dollars.

For additional information, refer to the Member's Retirement Plan Handbook, Page 57.

TERMINATION PAY – IRREVOCABLE ELECTION OPTION 1 - CALCULATION FORMULA

Termination Pay Amount
Less FICA/Medicare (7.65%)
Net Amount (Tax Deferred)
Less Calculated TRS Contribution
Balance Paid To Member (less
federal and Montana state taxes)
OR
(*Out Of Pocket Expense) –
Payable To TRS By Personal Check

*An 'Out Of Pocket Expense' represents an additional funding source for your benefit increase.

Notes

If the employee contributions due the TRS are greater than the net amount after Social Security is deducted, and it has been determined you have an out of pocket expense, you **must** pay the difference to the TRS by personal check, as a funding source for your benefit increase.

For additional information, refer to the Member's Retirement Plan Handbook, Page 57.

SAMPLE – AGE 60 – OPTION 1

TERMINATION PAY – IRREVOCABLE ELECTION CALCULATION

	25 Years	30 Years	35 Years
Term Pay Amount	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
FICA/Medicare 7.65%	(\$ 382.50)	(\$ 382.50)	(\$ 382.50)
Net Amount	\$ 4,632.50	\$ 4,632.50	\$ 4,632.50
Contributions Due TRS	(\$ 4,200.00)	(\$ 5,040.00)	(\$ 5,880.00)
Difference	\$ 432.50**	(\$ 407.50)***	(\$ 1,247.50)***
Monthly Benefit Increase	\$ 57.87	\$ 69.44	\$ 81.02
Recovery time		6 months	16 months

** Payable to you, less federal and Montana state taxes.

*** Out of pocket expense payable to the TRS by personal check.

Notes

The calculation of the employee contribution due the TRS for each retiring member is unique. This table provides a comparison of the employee cost for an individual with 25, 30, or 35 years of service. Each retiring member, eligible for termination pay, must allow time to plan for an out-of-pocket expense, if applicable.

For additional information, refer to the Member's Retirement Plan Handbook, Page 57.

ESTIMATED RETIREMENT BENEFITS

Name: John Doe
SSN: 123-45-6789
Retirement Date: July 1, 2011
Retirement Type: Regular

Beneficiary: Doe, Jane

THIS ESTIMATE IS BASED ON THE FOLLOWING DATA:

Highest 3 Years Salary	Termination Pay: \$5,000.00
Fiscal Year 2008-09 \$52,000.00	
Fiscal Year 2009-10 \$54,000.00	
Fiscal Year 2010-11 \$56,000.00	

Member's Date Of Birth: 10/15/1951
Beneficiary's Date Of Birth: 08/22/1952
Creditable Service Years: 30.00

Notes

In this example, the TRS database populates the 'Fiscal Year 2008-09' and 'Fiscal Year 2009-10' gross wages as reported by your employer. The 'Fiscal Year 2010-11' gross wages represent anticipated wages.

The 'Termination Pay' amount is an estimated amount, which you may obtain from your payroll office.

For additional information, refer to the Member's Retirement Plan Handbook, Page 58.

ESTIMATED RETIREMENT BENEFITS

Retirement Benefit Allowances And Options Are Estimated As:

Allowances	Termination Pay Options		
	Option 1	Option 2	Option 3
Normal Payable For Member's Life Only	\$2,319.44	\$2,256.94	\$2,250.00
A: Joint & Full to Beneficiary	\$2,047.14	\$1,991.98	\$1,985.85
B: Joint & 1/2 to Beneficiary	\$2,174.71	\$2,116.11	\$2,109.60
C: Joint & 2/3 to Beneficiary	\$2,130.41	\$2,073.00	\$2,066.63
Period Certain & Life			
10 Year Term	\$2,285.11	\$2,223.54	\$2,216.70
20 Year Term	\$2,174.01	\$2,115.43	\$2,108.93

The Above Allowances Were Based On The Following Data:

Terminal Leave Payment	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
Average Final Compensation	\$55,666.67	\$54,166.67	\$54,000.00
Employee Cost of this Option	\$ 5,040.00	\$ 357.50	No Cost
Employer Cost of this Option	\$ 5,265.00	\$ 492.50	No Cost
Increase Over 'Normal' Benefit	\$ 69.44	\$ 6.94	No Increase

Notes

The dollar amounts presented represent the gross monthly benefit amount. You will be responsible for managing your tax liability. The TRS offers federal and Montana state tax withholding through payroll deduction.

For additional information, refer to the Member's Retirement Plan Handbook, Page 58.

2010 RETIREE AVERAGES

Average Member Age:
60.49

Average Service Credit Years:
25.86

Average Gross Monthly Benefit:
\$2,057.82



Notes

The retiree averages presented are representative of members who applied for their retirement benefits during fiscal year 2009-10.

For additional information on Post Retirement Employment and Earnings, refer to the Member's Retirement Plan Handbook, Page 64.

POST RETIREMENT EMPLOYMENT AND EARNINGS

A 'retired member' is a TRS member who has terminated all positions eligible to participate in the TRS; and who has received at least **one** monthly retirement benefit. A retired member is limited to part-time employment, with earnings limitations. The retiree, without loss of their retirement benefit, may earn an amount not to exceed the greater of one-third (1/3) of their AFC, plus annual increases equal to the increase in the Consumer Price Index; or one-third (1/3) of the median AFC for members retired during the preceding fiscal year as determined by the TRS Board. These earnings are determined on a fiscal year basis, July 1 through June 30.

Full-time service' means service, which is at least 180 days in a fiscal year; or at least 140 hours a month during nine months in a fiscal year; or, full-time under an alternative school calendar adopted by a school board that is less than 180 days but meets minimum accreditation requirements of 1,080 hours. 'Part-time service' is less than full-time. A retired member's part-time service will be calculated based on the total number of hours, days, or months reported to the TRS, divided by the number of hours, days, or months of equivalent full-time service. Seven hours per day is considered a full-time day.

A TRS retired member is only limited in the amount they may earn if employed in a position that is eligible to participate in the Montana TRS or the Optional Retirement Plan. Positions eligible to participate in the TRS do not require certification as a condition for membership and include work performed by a retiree through a professional employer arrangement, an employee leasing arrangement, or a temporary service contractor. For additional information, refer to the Member's Retirement Plan Handbook, Page 64.

PRE-ARRANGED RE-EMPLOYMENT AGREEMENT

A TRS member considered 'Normal Retirement Age' is at least age 55 AND eligible for an unreduced retirement benefit, or age 60 or greater with five or more years of creditable service.

A member is ineligible for a retirement benefit if they have not attained 'normal retirement age' and are re-employed with the same employer within 30 days from their effective date of retirement, or they have not attained 'normal retirement age' and have a pre-arranged agreement for re-employment with the same employer in ANY CAPACITY, including part-time TRS and/or PERS employment.

A pre-arranged agreement to return to work could result in voiding or suspension of the retirement benefit, and/or; incurring significant tax penalties.

For additional information, refer to the Member's Retirement Plan Handbook, Page 46.

TAXATION OF YOUR MONTHLY BENEFIT

The majority of retirement, disability, or survivor benefits will be subject to federal and/or Montana state income taxes. The TRS recommends you contact an accountant, local IRS office, or the Montana Department of Revenue for tax advice at 406-444-6900 or 1-866-859-2254.

For additional information, refer to the Member's Retirement Plan Handbook, Page 63.

GUARANTEED ANNUAL BENEFIT ADJUSTMENT

A benefit recipient who has been receiving a benefit for at least 36 months prior to January 1 of each year will receive a GABA of 1.5%, with payment of the January benefit.

For additional information, refer to the Member's Retirement Plan Handbook, Page 63.

WITHHOLDING YOUR GROUP INSURANCE PREMIUM

The TRS has no connection with group insurance plans, but offers the withholding of monthly insurance premiums as a service to our benefit recipients and the member's former employer. The member must sign an 'Authorization for Deduction of Health Insurance' form to authorize the payroll deduction for health insurance premiums. The annual tax Form 1099-R will note the total amount of the insurance premiums withheld for that year. Please address all questions concerning group insurance coverage to your former employer.

For additional information, refer to the Member's Retirement Plan Handbook, Page 63.

FAMILY LAW ORDER

A Family Law Order (FLO) may direct that a withdrawal or future benefit payment be payable as part of a marital property settlement or spousal maintenance agreement. A court may **not** enter a FLO relating to payments by the retirement system unless the TRS Board has approved the terms of the proposed order. A FLO may **not** require a type or form of benefit, option, or payment that is **not** available to the TRS recipient; nor may it require an amount or duration greater than that available to a recipient. Please contact the TRS to obtain FLO information or visit our website at <http://www.trs.mt.gov>.

For additional information, refer to the Member's Retirement Plan Handbook, Page 16.

INDEPENDENT CONTRACTOR

An independent contractor is ineligible for membership in the TRS. The TRS Board may accept a certification from the Montana Department of Labor and Industry as prima facie evidence of independent contractor status. The burden of proof before the TRS Board is on the TRS employer. If the TRS retired member's status as an independent contractor is in question, they must become a member of the TRS.

For additional information, refer to the Member's Retirement Plan Handbook, Page 64.

SOCIAL SECURITY

Benefits provided by the TRS are independent of, and in addition to, any social security benefits you may be entitled to receive. Upon request, the Social Security Administration will provide an earnings and benefit estimate statement, which includes estimates of future benefits. You can request Form SSA-7004 by calling 1-800-772-1213.

For additional information, refer to the Member's Retirement Plan Handbook, Page 65.

MEDICARE

For general Medicare information, ordering Medicare booklets, and information about health plans, contact 1-800-MEDICARE (1-800-633-4227) 24 hours a day, 7 days a week for assistance. Benefit information is also available on their website at <http://www.medicare.gov>.

Corporate office address: Humana Inc.
500 West Main Street
Louisville, KY 40202

Telephone number: 1-800-486-2620
8:00 a.m. to 8:00 p.m., Monday – Friday

Web Address: <https://www.humana-medicare.com>

For additional information, refer to the Member's Retirement Plan Handbook, Page 65.

RETIREMENT SEMINAR ASSESSMENT FORM

The TRS is asking that you please take a moment to complete the following questionnaire, which will be used to evaluate whether the material being presented to our members and business partners is valid and pertinent, and to assist the TRS with the development of improved presentation material. Please return the completed form to the TRS Representative.

Name of TRS Representative hosting the seminar	Seminar Location (City)	Date of Seminar
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	Excellent	Good	Fair	Poor
How would you rate the TRS representative's knowledge of the subject matter?				
Was information presented in a clear and concise manner that was easy to understand?				
Was the audience encouraged to ask questions? Yes No If so, how would you rate the response?				
Do you feel the printed material will be useful to you in doing future retirement planning?				
Did the seminar answer your retirement questions and provide valuable planning information?				
Was adequate notice of the seminar time and location provided to allow for you to plan to attend and for you to form questions?				
How would you rate the presentation overall?				

Please provide any additional information or comments that you feel will assist the TRS with improving our material and/or services in the future.

In compliance with the Americans with Disabilities Act of 1992,
a alternative accessible format of this document is available upon request.